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STATE FOR INL, NEA; JUSTICE FOR OIA, AFMLS; TREASURY FOR
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SUBJECT: 2004-2005 INTERNATIONAL NARCOTICS CONTROL STRATEGY
REPORT FOR AMMAN, PART II - MONEY LAUNDERING AND FINANCIAL
CRIMES

REF: STATE 254401

1. Embassy Amman's submission for the 2004-2005 International
Narcotics Control Strategy Report (INCSR) Part II follows:

BEGIN TEXT

Jordan is not a regional or offshore financial center and is not considered a major venue for international criminal activity. The banking and financial sectors, including moneychangers, are supervised by competent authorities according to international standards. The Central Bank of Jordan, which regulates foreign exchange transactions, issued anti-money laundering regulations designed to meet the FATF Forty Recommendations on Money Laundering in August 2001. Under Jordanian law, money laundering is considered an "unlawful activity" subject to criminal prosecution.

An October 8, 2001 revision to the Penal Code criminalized terrorist activities, specifically including financing of terrorist organizations. Jordan ratified and became a full party to the International Convention for the Suppression of Financing of Terrorism on June 16, 2003. Jordan has checked for assets of terrorists and terrorist groups identified by the United Nations 1267 Sanctions Committee, although no such assets have been identified in Jordan to date. In December, 2004, Jordan's Department of Customs signed a bilateral Customs Mutual Assistance Agreement with the United States Department of Homeland Security to facilitate the exchange of information, including information related to money laundering and financial crimes.

Jordan has neither enacted a comprehensive anti-money laundering law, nor established an independent financial intelligence unit (FIU). However, a draft anti-money laundering law is nearing completion for approval by the cabinet and presentation to Jordan's parliament. Anti-money laundering efforts are handled by an anti corruption agency within the Jordanian Intelligence Services. However, Jordanian officials report that financial institutions file suspicious transactions reports and cooperate with prosecutors' requests for information related to narcotics trafficking and terrorism cases. Jordan's Central Bank has instructed financial institutions to be particularly careful when handling foreign currency transactions, especially if the amounts involved are large or if the source of funds is in question. The Banking Law of 2000 (as amended in 2003) waives banking secrecy provisions in any number of criminal cases, including suspected money laundering and terrorism financing.

Jordan is a party to the 1988 UN Drug Convention. Jordan has signed, but not ratified, the UN Convention against Transnational Organized Crime. Jordan is a party to the UN International Convention for the Suppression of the Financing of Terrorism.

Jordan has taken steps in constructing an anti-money and antiterrorist finance program, but much remains to be done. Specific anti-money laundering legislation should be passed recognizing all types of predicate offenses. Jordan should establish a Financial Intelligence Unit (FIU) that receives, analyzes and disseminates suspicious transaction reports to law enforcement agencies. Jordanian law enforcement and customs should examine forms of trade-based money laundering.

END TEXT

HALE